

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4771-01
Bill No.: SB 1319
Subject: Chiropractors; Health Care; Insurance - Medical; Insurance Dept.
Type: Original
Date: March 3, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Insurance Dedicated Fund	\$8,000	\$0	\$0
Other State Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Federal Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** and **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of the proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** state the proposal amends a statute on mandated chiropractic care. This proposal will have no fiscal impact on MHTC/DOT.

The Highway and Patrol Medical Plan does not fall within the definition of “health care plan” or “health carrier”. Further, the replacement of “another physical health condition” with “other outpatient primary health care” and the use of language regarding direct access within a health carrier’s network suggest that the proposal is not applicable to the medical plan, but is applicable to such managed care plans like HMOs.

Since, by the use of the language referred to above, the proposal is limited to HMOs or other such managed care plans, Section 104.801 would not require the Medical Plan to offer similar coverage. Therefore, this proposal would not have any fiscal impact on the Highway and Patrol Medical Plan.

ASSUMPTION (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state HCP currently offers chiropractic care in the same manner as any medical condition under the HMO and Copay plans. This proposal would allow access to chiropractic care within the network for a total of 26 visits per diagnosed disorder per policy period without a referral. This additional visits could increase costs. However, it is extremely difficult to project the overall cost impact; therefore, the potential costs are unknown.

Officials from the **Department of Insurance (INS)** estimate 160 insurers and HMOs would be required to submit amendments to their policies to comply with this proposal. Policy amendments must be submitted to the INS for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000 (160 insurers X \$50).

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the INS will need to request additional staff to handle the increase in workload.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
State's share of increase in insurance premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
INSURANCE DEDICATED FUND			
<u>Income - Department of Insurance</u>			
Policy form filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
OTHER STATE FUNDS			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
State's share of increase in insurance premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FEDERAL FUNDS			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
State's share of increase in insurance premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2005 (10 Mo.)	 FY 2006	 FY 2007
ALL POLITICAL SUBDIVISIONS			
<u>Costs - All Political Subdivisions</u>			
Increase in insurance premium costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON ALL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

This proposal could directly impact the insurance premiums paid by small businesses who provide insurance coverage for their employees.

DESCRIPTION

This proposal modifies the law regarding health insurance coverage for chiropractic care. Every health benefit plan must provide coverage for chiropractic care delivered by a licensed chiropractor. The coverage must allow enrollees direct access to a participating chiropractor of their choice within the health carrier's network.

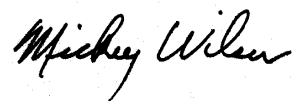
Coverage shall include the initial diagnosis, clinically appropriate and medically necessary services and supplies, and up to twenty-six office visits per year per diagnosed disorder. Health carriers are prohibited from requiring an enrollee or a chiropractor to provide prior notice or authorization as a condition of coverage for the twenty-six visits per year. However, health carriers may require prior notice or authorization for visits in excess of the allowed twenty-six visits per year.

The availability of chiropractic health care benefits must be clearly disclosed to all enrollees. Health benefit plans are prohibited from imposing greater deductibles or establishing different dollar limits for chiropractic health care than for other primary health care. Certain health insurance policies are exempt from providing coverage for chiropractic health care.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation



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